

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authorization, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2007.

Application 05-12-002
(Filed December 2, 2005)

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company.

Investigation 06-03-003
(Filed March 2, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING
AMENDING A PRIOR RULING REGARDING THE MOTION TO COMPEL
FILED BY THE UTILITY REFORM NETWORK**

Summary

This Ruling amends the ruling issued on April 18, 2006, to allow Pacific Gas and Electric Company (PG&E) to respond to Question 7 of The Utility Reform Network's (TURN's) 13th set of data requests by providing the information that PG&E is required to file at the Commission every April 30th pursuant to Decision (D.) 05-11-031.

Background

On April 18, 2006, the assigned Administrative Law Judge (ALJ) issued a ruling on TURN's motion to compel PG&E to respond to Questions 2.b, 3.b, 4.b, 5.b, and 7 in TURN's 13th data request. A copy of TURN's data request is attached. In general, TURN's Questions sought historical information regarding PG&E's outside legal expenses. The ALJ's ruling directed PG&E to respond to Questions 2.b, 3.b, 4.b, and 7 by providing the total number of hours and hourly

rates billed by certain entities providing outside legal services. The ruling also directed PG&E to respond to Question 5.b by providing the information that PG&E must file at the Commission every April 30th pursuant to D.05-11-031.

On April 19, 2006, PG&E sent an email to the assigned ALJ and TURN in which PG&E stated that Question 7 seeks information that is similar to Question 5.b. Because of the similarity, PG&E asked that it be allowed to respond to Question 7 in the same way that PG&E responds to Question 5.b. PG&E also asserted that responding to Question 7 in the manner required by the ALJ's ruling would be unduly burdensome because it would require PG&E to review approximately 12,000 invoices, a task that would take weeks to complete.

TURN opposed PG&E's request in an email sent on April 19, 2006.

The assigned ALJ issued an informal ruling by email on April 19th that granted PG&E's request. Today's ruling formally responds to PG&E's request.

Ruling

Questions 7 and 5.b are appended to today's Ruling. Question 7 seeks the hourly rates billed by outside law firms during 2003 and 2004. Question 5.b. seeks the same information (as well as other information) for 2005 and 2006 to date. The ALJ ruling issued on April 18, 2006, reached the following determination with respect to Question 5.b:

PG&E has...demonstrated that responding to Question 5.b would be unduly burdensome, as it would require PG&E to analyze at least 4,000 invoices from outside law firms and consultants. According to PG&E, such an effort would take two people working full time approximately one month. TURN replies that it is willing to relieve the burden on PG&E by receiving copies of the invoices and doing the analysis itself. TURN's suggestion is not workable; allowing TURN to review 4,000 invoices would impinge on the privacy of many individuals when there is

no apparent need for such broad disclosure. Therefore, PG&E may limit its response to Question 5.b to the information that it is required to file at the Commission on April 30th of every year pursuant to [D.05-11-031]. Because TURN's intervenor testimony is due on April 28, 2006, TURN may request to update its testimony by no later than May 16, 2006, to reflect the information filed by PG&E pursuant to D.05-11-031. (Footnotes omitted.)

PG&E has shown that Question 7 is similar to Question 5.b, and that responding to Question 7 would be unduly burdensome for the same reasons that responding to Question 5.b was unduly burdensome. Therefore, to relieve the undue burden on PG&E and still provide information that is useful to TURN, PG&E may respond to Question 7 in the same way it responds to Question 5.b, as set forth in the ALJ ruling issued on April 18, 2006. Thus, PG&E may respond to Question 7 by providing the information that PG&E must file at the Commission every April 30th pursuant to D.05-11-031.¹ Because TURN's testimony is due on April 28, 2006, TURN may request to update its testimony by no later than May 16, 2006, to reflect the information filed by PG&E pursuant to D.05-11-031.²

As set forth in D.05-11-031 and the ALJ ruling issued on April 18th, TURN may seek detailed information regarding specific individuals, including the names of individuals, if TURN believes there may be regulatory issues associated

¹ D.05-11-031, *mimeo.*, Ordering Paragraph 3. Because April 30th falls on a Sunday this year, PG&E shall provide the information to TURN as soon as it is available, and no later than May 1, 2006.

² D.05-11-031 requires PG&E to provide the hourly rates paid to all outside attorneys and experts who participated in Commission proceedings during the two preceding calendar years. (D.05-11-031, *mimeo.*, pp. 18 -19.) There is no requirement to disclose the names of individual outside attorneys and experts. (*Id.*, pp. 20 - 21.)

with specific individuals.³ The release of such information may be subject to such measures as deemed necessary to protect the privacy of individuals.

Consistent with the ALJ Ruling issued on April 18th, PG&E may provide TURN with the information required by today's Ruling under PG&E's existing confidentiality agreement with TURN.⁴ TURN shall limit access to confidential information that TURN receives from PG&E to only those individuals at TURN who are working on this proceeding. TURN's use of the information obtained pursuant to today's Ruling is limited to the instant proceeding.

Therefore, **IT IS RULED** that:

1. The Administrative Law Judge's ruling issued on April 18, 2006, is amended to allow Pacific Gas and Electric Company (PG&E) to respond to Question 7, appended to today's Ruling, by providing to The Utility Reform Network (TURN) the information required by Ordering Paragraph 3 of Decision 05-11-031. PG&E shall provide this information as soon as it is available, and no later than May 1, 2006. TURN may seek to update its testimony by no later than May 16, 2006, to reflect the information that PG&E provides on or before May 1, 2006.

³ D.05-11-031, *mimeo.*, p. 21.

⁴ Today's Ruling does not determine whether any information provided by PG&E in response to today's Ruling is, in fact, confidential.

2. TURN shall limit access to confidential information it receives from PG&E pursuant to today's Ruling to only those individuals at TURN who are working on this proceeding. TURN's use of the information obtained pursuant to today's Ruling is limited to the instant proceeding.

Dated April 21, 2006, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

ATTACHMENT

TURN's 13th Set of Data Requests

Law Department Expenses

1. At page 2-173 of the A&G Study Supplement, the response to Question 1 makes reference to “several areas of practice including: contract work, advice and counsel, and rate, tariff and regulatory practice.” Please provide a brief description of the type of legal work covered in each of these areas of practice.
2. In Exhibit 6, Chapter 5, page 5-6, PG&E refers to outside counsel retained for this GRC.
 - a. Please identify each and every firm retained to provide outside counsel services for the GRC.
 - b. For each such firm, please identify each attorney that has worked on the GRC to date, the number of hours that attorney has billed to date for work on the GRC, the months in which that work was performed, and the billing rate charged PG&E for that attorney's work on the GRC. If available, please provide the 2005 and 2006 billing rate for each such attorney.
3. In Exhibit 6, Chapter 5, page 5-6, PG&E refers to consultants retained for this GRC.
 - a. Please identify each and every firm retained as consultants for the GRC, and generally describe the consulting services they are providing for the GRC.
 - b. For each such firm, please identify each firm member that has worked on the GRC to date, the number of hours that the firm member has billed to date for work on the GRC, the months in which that work was performed, and the billing rate charged PG&E for that firm member's work on the GRC. If available, please provide the 2005 and 2006 billing rate for each such firm member.

4. In Exhibit 6, Chapter 5, page 5-6, PG&E refers to outside counsel retained for the Business Transformation Program.
 - a. Please identify each and every firm retained to provide outside counsel services for the Business Transformation Program.
 - b. For each such firm, please identify each attorney that has worked on the Business Transformation Program to date, the number of hours that attorney has billed to date for work on the Business Transformation Program, the months in which that work was performed, and the billing rate charged PG&E for that attorney's work on the Business Transformation Program. If available, please provide the 2005 and 2006 billing rate for each such attorney.
5. In Exhibit 6, Chapter 5, page 5-10, PG&E describes how its 2005 forecast for outside legal expenses was estimated.
 - a. Please identify each and every firm retained to provide outside legal services to PG&E in 2005.
 - b. For each such firm, please identify each attorney that performed legal services on behalf of PG&E in 2005, the number of hours that attorney has billed for legal services performed to date on behalf of PG&E in 2005, the months in which that work was performed, and the billing rate charged PG&E for that attorney's work in 2005. If available, please provide the 2005 and 2006 billing rate for each such attorney.
6. Has any law firm that performed legal services on behalf of PG&E in 2005 informed the utility of a change in its hourly rates for legal services the firm will perform in 2006 on behalf of PG&E? If so, please provide a copy of all documents related to such hourly rate changes.
7. Did any law firm that performed legal services on behalf of PG&E in 2005 also perform legal services on behalf of PG&E in 2003 and 2004? If so, please provide the hourly rates billed by each such firm in 2003, 2004 and 2005 for work performed on behalf of PG&E.
8. Please select the 10 attorneys that have been employed on a full-time basis by PG&E in each year from 2002 through the present, and that devoted the most hours to representing the utility in CPUC proceedings during that period. For each such attorney, please provide the information reported in

the utility's General Order 77-K report (GO 77-L for reports after D.04-08-055 issued), broken into the following categories:

- a. Base pay or base compensation
- b. Incentive payments
- c. Other pay (includes overtime, performance rewards, vacation buybacks, imputed incomes, and any other miscellaneous accounts).

If PG&E contends that it would be overly burdensome to identify the ten attorneys that fit within this description for the 2002-present period, please provide the portion of the General Order 77-K/L reports submitted in 2002, 2003, 2004 and 2005 that describes such payments to PG&E attorneys.

Further, if PG&E contends that their attorneys' interest in preventing disclosure of their identities is not sufficiently protected by the non-disclosure agreement TURN has entered into with the company for purposes of this proceeding, please assign each attorney a unique number or code such that a year-to-year comparison of the attorney's compensation can be made absent his or her name.

(END OF ATTACHMENT)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Amending a Prior Ruling Regarding the Motion to Compel Filed by The Utility Reform Network on all parties of record in this proceeding or their attorneys of record.

Dated April 21, 2006, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.